

## Medical and Dental Assistant Training

### Issue:

Like many in the health care arena, Community Health Centers (also called Federally Qualified Health Centers or FQHCs) are experiencing large scale workforce shortages and an extremely competitive employment environment. Some health care workers have left the industry amidst the pressures of the pandemic on them and their families, and some have pursued early retirement. In addition, the number of people newly entering healthcare occupations (especially entry-level healthcare roles) has also dropped, given job opportunities in other sectors.

### Recommendation:

- MPCA recommends a \$7.78 million investment to cover the cost of Medical Assistant (MA) and Dental Assistant (DA) classroom training, clinical skills training, supervised externship, certification examination, trainee and skills lab supplies, and trainee wages during their formal training and externship period.
- If the investment is made, MPCA would work with health centers statewide to conduct 2 MA training cohorts per year for the next 2 years with 50 MA trainees in each cohort (200 newly trained MAs overall). Similarly, MPCA would work with health centers to conduct 2 DA training cohorts per year for 2 years with 30 in each cohort (120 newly trained DAs overall).
- As a result of the initiative, 320 new healthcare personnel would be trained, certified and receive valuable on the job experience working in critical underserved areas and with underserved populations.

## Community Health Worker (CHW) Reimbursement

### Issue:

The lack of a sustainable funding stream for Community Health Worker services creates barriers to stable, long-term CHW employment and integrating CHW services more deeply into primary care teams. Despite the proven, positive impact on health outcomes CHWs have demonstrated, healthcare organizations still rely heavily on short-term grant and demonstration project funding. When funding ends, so do the successful outcomes for Michigan's residents.

### Recommendation:

- MPCA recommends the State of Michigan should provide a consistent financing source for CHWs rendering services within the Medicaid program by offering Medicaid reimbursement for CHW services using a combination of fee-for-service (FFS) and value-based payments.
- In addition, MDHHS should work to coordinate other non-Medicaid Department funding streams to expand the number of community-based CHWs who provide preventive services, health education, and care coordination within community-based organizations.

## Healthcare Payment Reform and Primary Care Investment

### Issue:

In the last decade, it's become clear that volume-based payment for healthcare services is a key factor in escalating total health care costs and limitations on healthcare delivery innovation. Volume-based payments models reimburse solely based on the amount of services rendered, instead of the services or healthcare team members that are most effective in supporting a person's

healthcare needs, and volume-based payment is generally made regardless of the quality of the service provided.

Currently, health centers are paid in the Medicaid program through a Prospective Payment System (PPS) which has some value-based aspects (the PPS uses a single bundled payment for multiple services provided in the same patient encounter) but is still based on the number of traditional patient encounters health centers provide. The PPS' volume-based structure limits innovation because health centers must design their services around what is reimbursed as a patient encounter, otherwise the services are not sustainable. In addition, PPS payment rates have not kept pace with the cost of delivering quality care, leading to sustained underfunding and a lack of investment in primary integrated care in Michigan. This mismatch between rates and costs has also hampered health centers' ability to offer competitive wages, exacerbating an already challenging workforce environment.

**Recommendation:**

- MPCA recommends the legislature support budget boilerplate which directs the implementation of a population-based alternative payment methodology (APM) to delink health center payment from the volume of traditional patient encounters and instead shift reimbursement to a per patient payment (generally paid per patient per month) for the population of Medicaid beneficiaries served by each health center.
- As part of APM implementation, MPCA further recommends a one-time investment of \$55.8 million to support the cost of preparing for and transitioning to the APM in health centers statewide as well as MDHHS' associated transition costs. The investment would support the work of health centers in adopting new models of care to better serve Michiganders when the APM is implemented.

**Supplemental Information- Draft Health Center APM Budget Boilerplate**

By \_\_\_\_\_, the Department (of Health and Human Services) shall collaboratively develop and seek any appropriate federal approvals to implement an Alternative Payment Methodology (APM) for Federally Qualified Health Centers (FQHCs) in the medical assistance program and Healthy Michigan program as authorized in Section 1902(bb)(6) of the Social Security Act. The statewide APM should move away from a reliance on volume-based payment for patient visits with licensed independent practitioners toward a population-based payment model which:

- a. encourages the use of a multi-disciplinary healthcare team including both licensed and lay members of the healthcare workforce
- b. provides flexibility to implement innovative healthcare delivery practices and transform services as the evidence base for various services evolves
- c. supports a variety of in-person and virtual connection options between patients and their healthcare team
- d. assesses quality of care and health outcomes using a reasonable set of measures, and rewards quality and health outcome improvement
- e. aligns with the Department's alternative payment model goals and strategies for health plans serving in the medical assistance program and Healthy Michigan program, and promotes health plan payment coordination with the FQHC APM
- f. represents an administratively simpler payment approach